

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA

In re:  
DONNA MARIE HAYES,  
Debtor.

Chapter 7  
Bky Case No. 19-51036

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**NOTICE OF SETTLEMENT**

To: The United States Trustee, all creditors and other parties in interest.

On **July 8, 2020**, or as soon thereafter as the transaction may be completed, the undersigned trustee of the estate of the debtor named above will settle a controversy as follows:

This case was filed on December 27, 2019, and J. Richard Stermer is the bankruptcy trustee appointed in this case. The debtor scheduled a Marital Lien interest in Real Property located at 24182 - 255<sup>th</sup> Avenue, Pierz, MN in Morrison County, owed to debtor by her ex-husband, Freeman Hayes, in the approximate amount of \$150,000, with payments until 2035. Based on information and belief, Freeman Hayes has made payments totaling approximately \$37,000 to the debtor toward the Marital Lien debt leaving an approximate balance owed on the Marital Lien in the amount of \$113,000. Debtor initially claimed the debt owed to her, secured by the Marital Lien, as her exempt homestead under 11 U.S.C. 522 (d)(1) even though Debtor had claimed her actual residence as her exempt homestead under 11 U.S.C. 522 (d)(1). The Trustee objected to debtor's claim of exemption in the debt owed under the Marital Lien pursuant to 11 U.S.C. 522(d)(1). The Court sustained the Trustee's objection to debtor's claim of exemption in the Marital Lien debt.

The debtor has subsequently amended schedules and claimed exemption in the Pierz, MN property under 11 U.S.C. 522(d)(5) in an amount up to any applicable statutory limit. Debtor has available to her under 522(d)(5) approximately \$7413 depending on any 2019 tax refunds.

The Trustee has received an offer of \$50,000 from Freeman Hayes, the ex-spouse who owes the debt on the Marital Lien, which is now non-exempt property of the bankruptcy estate. Mr. Hayes agrees to pay the \$50,000 settlement within 90 days of Bankruptcy Court approval and, in consideration of the \$50,000 payment, the bankruptcy estate will satisfy the Judgment to extinguish Debtor's interest in the real property located at 24182 - 255<sup>th</sup> Avenue, Pierz, MN 56364-0000, Morrison County. Based upon the uncertainties and costs involved in liquidating the assets, the Trustee believes that this settlement is in the best interest of the bankruptcy estate.

**OBJECTION: MOTION:: HEARING.** Under applicable rules, any objection must be in writing, be delivered to the trustee and the United States Trustee and be filed with the clerk, not later than 12:00 o'clock noon on the day before the above date. If any objection is made or an order is

required, the trustee moves the court for such orders as may be necessary and appropriate. If an objection is timely delivered and filed, the court will hold an expedited hearing on the objection with reduced notice of the hearing. The hearing will be scheduled by the trustee with notice by the trustee to the objecting party and the U. S. Trustee.

Clerk of Court	United States Trustee	Trustee
United States Bankruptcy Court	1015 U S Courthouse	(See address below)
404 U.S. Courthouse	300 So. 4 <sup>th</sup> St.	
515 West First Street	Minneapolis, MN 55415	
Duluth, MN 55802		

Dated: June 11, 2020

/e/ J. Richard Stermer  
J. Richard Stermer, Trustee  
P. O. Box 514  
Montevideo, MN 56265  
Telephone: (320) 269-6491  
[rstermer@stermerlaw.com](mailto:rstermer@stermerlaw.com)

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA  
19-51036 DIVISION

IN RE: DONNA MARIE HAYES

CASE NO: 19-51036

**DECLARATION OF MAILING  
CERTIFICATE OF SERVICE**

Chapter: 7

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On 6/12/2020, I did cause a copy of the following documents, described below,

NOTICE OF SETTLEMENT

to be served for delivery by the United States Postal Service, via First Class United States Mail, postage prepaid, with sufficient postage thereon to the parties listed on the mailing matrix exhibit, a copy of which is attached hereto and incorporated as if fully set forth herein.

I caused these documents to be served by utilizing the services of BK Attorney Services, LLC d/b/a certificateofservice.com, an Approved Bankruptcy Notice Provider authorized by the United States Courts Administrative Office, pursuant to Fed.R. Bankr.P. 9001(9) and 2002(g)(4). A copy of the declaration of service is attached hereto and incorporated as if fully set forth herein.

Parties who are participants in the Courts Electronic Noticing System ("NEF"), if any, were denoted as having been served electronically with the documents described herein per the ECF/PACER system.

DATED: 6/12/2020

/s/ J. Richard Stermer  
J. Richard Stermer 216811  
Stermer & Sellner, Chtd  
102 Parkway Drive, PO BOX 514  
Montevideo, MN 56265  
320 269 6491

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA  
19-51036 DIVISION

IN RE: DONNA MARIE HAYES

CASE NO: 19-51036

**CERTIFICATE OF SERVICE  
DECLARATION OF MAILING**

Chapter: 7

On 6/12/2020, a copy of the following documents, described below,

NOTICE OF SETTLEMENT

were deposited for delivery by the United States Postal Service, via First Class United States Mail, postage prepaid, with sufficient postage thereon to the parties listed on the mailing matrix exhibit, a copy of which is attached hereto and incorporated as if fully set forth herein.

The undersigned does hereby declare under penalty of perjury of the laws of the United States that I have served the above referenced document (s) on the mailing list attached hereto in the manner shown and prepared the Declaration of Certificate of Service and that it is true and correct to the best of my knowledge, information, and belief.

DATED: 6/12/2020



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Jay S. Jump  
BK Attorney Services, LLC  
d/b/a certificateofservice.com, for  
J. Richard Stermer  
Stermer & Sellner, Chtd  
102 Parkway Drive, PO BOX 514  
Montevideo, MN 56265

CASE INFO

LABEL MATRIX FOR LOCAL NOTICING  
08645  
CASE 19-51036  
DISTRICT OF MINNESOTA  
DULUTH  
THU JUN 11 14:34:31 CDT 2020

EXCLUDE

DULUTH  
404 US COURTHOUSE  
515 WEST FIRST STREET  
DULUTH MN 55802-1302

BANK OF AMERICA  
PO BOX 982238  
EL PASO TX 79998-2238

BARCLAYS BANK DELAWARE  
ATTN CORRESPONDENCE  
PO BOX 8801  
WILMINGTON DE 19899-8801

CENTRAL MINNESOTA CU  
ATTN BANKRUPTCY  
PO BOX 10  
MELROSE MN 56352-0010

CITISEARS  
CITIBANKCENTRALIZED BANKRUPTCY  
PO BOX 790034  
ST LOUIS MO 63179-0034

CITIBANK  
ATTN RECOVERYCENTRALIZED BANKRUPTCY  
PO BOX 790034  
ST LOUIS MO 63179-0034

CITIBANK NA  
5800 S CORPORATE PL  
SIOUX FALLS SD 57108-5027

DISCOVER BANK  
DISCOVER PRODUCTS INC  
PO BOX 3025  
NEW ALBANY OH 43054-3025

DISCOVER FINANCIAL SERVICES LLC  
PO BOX 3025  
NEW ALBANY OH 43054-3025

FIRST NATIONAL BANK  
ATTN BANKRUPTCY  
1620 DODGE ST MAILSTOP 4440  
OMAHA NE 68197-0002

PERI GARITE  
ATTN CARD WORKS  
101 CROSSWAYS PARK DR W  
WOODBURY NY 11797-2020

RUSSELL HAYES  
1204 1ST AVE SW  
LITTLE FALLS MN 56345-1410

US BANK  
PO BOX 5229  
CINCINNATI OH 45201-5229

EXCLUDE  
US TRUSTEE  
1015 US COURTHOUSE  
900 S 4TH ST  
MINNEAPOLIS MN 55415-3070

US BANK  
ATTN CBDH  
OSHKOSH WI 54903

BANK BANK OF AMERICA NA  
16001 N DALLAS PARKWAY  
ADDISON TX 75001-3311

DEBTOR  
DONNA MARIE HAYES  
710 4TH ST SW  
LITTLE FALLS MN 56345-1933

EXCLUDE

J RICHARD STERMER  
STERMER SELLNER CHTD  
102 PARKWAY DRIVE  
PO BOX 514  
MONTEVIDEO MN 56265-0514

EXCLUDE

JAKE PEDEN  
KAIN SCOTT  
6445 SICAMORE COURT N  
MAPLE GROVE MN 55369-6028